

# Tax Data

2020/21

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# Godfrey Holland

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## Income Tax

### Rates and bands (other than savings and dividend income)

| 2020/21          |        | 2019/20          |        |
|------------------|--------|------------------|--------|
| Band £           | Rate % | Band £           | Rate % |
| 0 - 37,500       | 20     | 0 - 37,500       | 20     |
| 37,501 - 150,000 | 40     | 37,501 - 150,000 | 40     |
| Over 150,000     | 45     | Over 150,000     | 45     |

Income tax rates in Scotland and Wales on income other than savings and dividend income have been devolved.

### Savings income 2020/21 and 2019/20

|                               |        |
|-------------------------------|--------|
| Savings allowance basic rate  | £1,000 |
| Savings allowance higher rate | £500   |

A starting rate of 0% may be available unless taxable non-savings income exceeds £5,000.

### Dividend income 2020/21 and 2019/20

|                          |        |
|--------------------------|--------|
| Dividend allowance       | £2,000 |
| Dividend ordinary rate   | 7.5%   |
| Dividend upper rate      | 32.5%  |
| Dividend additional rate | 38.1%  |

## Income Tax Reliefs

|                                 | 2020/21  | 2019/20  |
|---------------------------------|----------|----------|
| Personal allowance              | £12,500  | £12,500  |
| Personal allowance income limit | £100,000 | £100,000 |
| Marriage allowance              | £1,250   | £1,250   |
| Married couple's allowance      | £9,075   | £8,915   |
| - minimum amount                | £3,510   | £3,450   |
| - income limit                  | £30,200  | £29,600  |
| Blind person's allowance        | £2,500   | £2,450   |

## Individual Savings Accounts

|                                 | 2020/21 | 2019/20 |
|---------------------------------|---------|---------|
| Overall investment limit        | £20,000 | £20,000 |
| Junior account investment limit | £9,000  | £4,368  |

## Car, Van and Fuel Benefits

| 2020/21                        | Cars registered pre 6.4.20 | Cars registered after 5.4.20 |
|--------------------------------|----------------------------|------------------------------|
| CO <sub>2</sub> emissions g/km | % of list price taxed      | % of list price taxed        |
| 0                              | 0                          | 0                            |
| 1-50                           |                            |                              |
| Electric range - 130 or more   | 2                          | 0                            |
| 70 - 129                       | 5                          | 3                            |
| 40 - 69                        | 8                          | 6                            |
| 30 - 39                        | 12                         | 10                           |
| under 30                       | 14                         | 12                           |
| 51-54                          | 15                         | 13                           |
| For every extra 5              | +1                         | +1                           |
| 160 and above                  | 37                         | n/a                          |
| 170 and above                  | n/a                        | 37                           |

For fully diesel cars generally add a 4% supplement (unless the car is registered on or after 1 September 2017 and meets the Euro 6d emissions standard) but the maximum is still 37%. For emissions of 75g/km or more if the CO<sub>2</sub> figure does not end in a 5 or 0 round down to the nearest 5 or 0.

|                  | 2020/21 |
|------------------|---------|
| Car fuel benefit | £24,500 |
| Van benefit      | £3,490  |
| Van fuel benefit | £666    |

## National Insurance

### 2020/21 Class 1 (employed) rates

| Employee          |     | Employer          |      |
|-------------------|-----|-------------------|------|
| Earnings per week | %   | Earnings per week | %    |
| Up to £183        | Nil | Up to £169        | Nil  |
| £183.01 - £962    | 12  | Over £169         | 13.8 |
| Over £962         | 2   |                   |      |

Entitlement to contribution-based benefits for employees retained for earnings between £120 and £183 per week. The employer rate is 0% for employees under 21 and apprentices under 25 on earnings up to £962 per week.

|                                |  |
|--------------------------------|--|
| <b>Class 1A (employers)</b>    | 13.8% on employee taxable benefits                                       |
| <b>Class 1B (employers)</b>    | 13.8% on PAYE Settlement Agreements                                      |
| <b>Class 2 (self-employed)</b> | flat rate per week £3.05<br>small profits threshold £6,475 per annum     |
| <b>Class 3 (voluntary)</b>     | flat rate per week £15.30  |
| <b>Class 4 (self-employed)</b> | 9% on profits between £9,500 and £50,000 plus 2% on profits over £50,000 |

## Stamp Duty Land Tax

### Land and buildings in England and N. Ireland

Residential rates may be increased by 3% where further residential properties are acquired.

| Residential<br>£    | Rate<br>% | Non-residential<br>£ | Rate<br>% |
|---------------------|-----------|----------------------|-----------|
| 0 - 125,000         | 0         | 0 - 150,000          | 0         |
| 125,001 - 250,000   | 2         | 150,001 - 250,000    | 2         |
| 250,001 - 925,000   | 5         | Over 250,000         | 5         |
| 925,001 - 1,500,000 | 10        |                      |           |
| Over 1,500,000      | 12        |                      |           |

*First-Time Buyer relief may apply to residential purchases up to £500,000.*

## Capital Gains Tax

| Individuals            | 2020/21 | 2019/20 |
|------------------------|---------|---------|
| Exemption              | £12,300 | £12,000 |
| Standard rate          | 10%     | 10%     |
| Higher/additional rate | 20%     | 20%     |
| Trusts                 |         |         |
| Exemption              | £6,150  | £6,000  |
| Rate                   | 20%     | 20%     |

*Higher rates (18/28%) may apply to the disposal of certain residential property and carried interest.*

### Entrepreneurs' Relief

*The first £10m of qualifying gains are charged at 10%. This is reduced to £1m for disposals on or after 11 March 2020 subject to certain transitional rules.*

## Inheritance Tax

| Death rate | Lifetime rate | Chargeable transfers<br>2020/21 and 2019/20 |
|------------|---------------|---|
| Nil        | Nil           | 0 - £325,000 (nil rate band)                |
| 40%        | 20%           | Over £325,000                               |

*A further nil rate band of £175,000 (£150,000 for 2019/20) may be available in relation to current or former residences.*

## Corporation Tax

|                 | Rate % |                 | Rate % |
|-----------------|--------|-----------------|--------|
| Year to 31.3.21 | 19     | Year to 31.3.20 | 19     |

*Different rates apply for ring-fenced (broadly oil industry) profit.*

## Capital Allowances

**First Year Allowance (FYA)** on certain plant, machinery and cars up to 50g/km **100%**

**Annual Investment Allowance (AIA) £1,000,000 (£200,000 from 1 January 2021)**

Excludes cars and expenditure already qualifying for FYA

### Writing Down Allowance

Expenditure not qualifying for AIA or FYA:

Long-life assets, integral features of buildings, cars over 110g/km **6%**

Other plant and machinery **18%**

**Structures and Buildings Allowance** **3%**

From April 2020

## Pensions

|                                 | 2020/21    | 2019/20    |
|---------------------------------|------------|------------|
| Lifetime Allowance limit        | £1,073,100 | £1,055,000 |
| Annual Allowance limit          | £40,000    | £40,000    |
| Money Purchase Annual Allowance | £4,000     | £4,000     |

## Value Added Tax

|                             | From 1.4.20 | From 1.4.19 |
|-----------------------------|-------------|-------------|
| Standard rate               | 20%         | 20%         |
| Reduced rate                | 5%          | 5%          |
| Annual Registration Limit   | £85,000     | £85,000     |
| Annual Deregistration Limit | £83,000     | £83,000     |

Disclaimer: Rates are for guidance only. No responsibility for loss occasioned by any person acting/refraining from action as a result of this information can be accepted by the authors or firm.

## Selected Rates

|                                     | 2020/21                                       | 2019/20  |
|-------------------------------------|---|----------|
| <b>Weekly benefit</b>               | <b>£</b>                                      | <b>£</b> |
| <b>Basic State Pension</b>          | 134.25  | 129.20   |
| <b>New State Pension</b>            | 175.20  | 168.60   |
| <b>Statutory pay standard rates</b> |   |          |
|                                     | - average weekly earnings £120 (£118) or over |          |
| Sick Pay                            | 95.85   | 94.25    |
| Maternity/Adoption Pay              | 151.20  | 148.68   |
| Shared Parental Pay                 | 151.20  | 148.68   |
| Paternity Pay                       | 151.20  | 148.68   |

## National Living Wage and National Minimum Wage

| Age               | NLW   | 21-24 | 18-20 | 16-17 | Apprentices |
|-------------------|-------|-------|-------|-------|-------------|
| From 1 April 2020 | £8.72 | £8.20 | £6.45 | £4.55 | £4.15       |

*Applies to apprentices under 19, or 19 and over in the first year of apprenticeship.*

*NLW applies to those aged 25 and over.*

## Key Dates and Deadlines

| Payment Dates                     |            | 2020/21 | 2019/20 |
|-----------------------------------|------------|---------|---------|
| <b>Income Tax and Class 4 NIC</b> |            |         |         |
| 1st payment on account            | 31 January | 2021    | 2020    |
| 2nd payment on account            | 31 July    | 2021    | 2020    |
| Balancing payment                 | 31 January | 2022    | 2021    |
| <b>Class 2 NIC</b>                | 31 January | 2022    | 2021    |
| <b>Capital Gains Tax</b>          | 31 January | 2022    | 2021    |
| <b>Class 1A NIC</b>               | 19 July    | 2021    | 2020    |

**Corporation Tax** – 9 months and one day after the end of accounting period (quarterly instalments if large company)

### 2019/20 Returns Filing Deadlines:

31 May 2020 - P60s to employees

6 July 2020 - P11D and P11D(b) and copies to employees

31 October 2020 - paper Self Assessment Tax Return (SATR)

30 December 2020 - SATR Online where outstanding tax (subject to cap) to be included in 2021/22 PAYE code

31 January 2021 - SATR Online